

G. R. S. 58

Previous references.

B. 12-12 SLI-107. Dec 12  
9.7.14 6-09 SLI-27 Nov 09 1913  
Apr 91-08 SLI-5. A. Ganyog (Banking)  
Later references.

File No. 12-12

Serial Nos. 11-15

## GENERAL AND REVENUE SECRETARIAT.

---

Serial Nos. 11-15

Part B. for November 1913

---

SUBJECT.

### Conference of Registrars

---

- 11 From The F.A. Resident no 813 D 7-2-13  
Forwards circular from the Govt of India on the  
subject of the conference of the Registrars at Gunda
- 12 To F A Resident no Pol 711 D 24 2 13  
Acknowledges with thanks the receipt 18811
- 13 To The Registrar of co-operative societies.  
no 71 6259 D 30-4-13  
Forwards copy of the Govt of India resolution & calls  
for detailed proposals relating to the points therein

- 14 From the Registrar no 1803 of 6.6.13  
Submits proposals as requested in st 13
- 15 To the Reg<sup>r</sup>  
no 212270 of 29.11.13.

Concurs with him about the questions of  
remittance transfer receipts + formation of  
Trial unions + directs that the question of  
raising the limits of loans to societies  
may be referred separately leaving other  
questions for the present

B.L. foil  
to  $\frac{1}{14}$

## GENERAL AND REVENUE SECRETARIAT.

*Banking*  
 NOTES

File No. 12

## FILE HEADING.

*Conference of Registrars*

From

*The Irish South. Resident*

No. 813

Dated 7.2.1913 Received 7.2.1913

Diary No. 2978

Enclos.

Spare Copies. 20

Serial No. 11

## BRIEF ABSTRACT OF LETTER.

*Forwards circular letter No. 3-20-28 of  
 23rd Jan'y 1913 from the Govt of India.  
 on the subject of the recent conference  
 of Registrars held at Simla*

## NOTES AND ORDERS.

*The Govt of India reserve their orders on  
 three important subjects discussed at the  
 Conference. 1. Remittance transfer receipts  
 2. Statements to be subd. annually  
 3. Grant of Takhave to bonitas*

NOTES—First Sheet.

Serial  
No.

- 2 The Govt of India consider that the most important subject tackled by the conference was the one relating to inspection & audit. Paras 3 to 6 summarise the same. What conflicting views of the conference on this vital question. They were generally of opinion that the time has not yet come for dispensing with Govt audit.
- 3 The Govt of India while upholding this view, cautiously give latitude to local Govts to dispense with Govt agency with sufficient safe guards for the safe working of the institutions concerned, wherever possible.
- 4 However these views are applicable to Mysore is for consideration. Draft subd.

Let 45 B.N. Asecy  
#4/2/13

K. B.

The draft may be approved & issued after approval by the Secy. The file should be subd afterwards with a copy of the Progs of the Conference which is not in this file.

Secy) 6) Draft appd. A. G. B. Secy. Dines app. Secy. 15/2  
for the action of the Govt. taken about the matter  
years with in for of India  
later

Serial  
No.

12

To The First Asst. Secy.  
to Govt 711 & 24-2-1913

Acknowledges with thanks  
the receipt of the copies.  
1) The copy of the conference paper  
required by the Deputy Secy.  
is put up.

2) In regard to the Secretary's  
orders supra to take useful  
action on the lines suggested  
by the Govt of India - may a  
copy of the circular be sent  
to the Deputy Secy. his opinion  
on the points raised be called  
for.

Subd. Secy.

Ref 45-7) Referring to the order of the  
3/2/13 all the points noted therein have considerable  
force when viewed in connection with  
the movement in terms. The case is to be  
held on for later on after the return of the  
Conference proceedings & the D. Secy. after  
perusal. The paper is to be sent. as  
interesting in substance.

D. Secy.

Please note further.

Date 4/3

4/3/13

"Referring to the order of the

See  
Means letter have been  
sent back for details  
by 4/3/13

Serial  
No.

The question of Mode of Remittance has been accepted & decided but there is yet another important point discussed by the Conference. The Conference considered that minors should necessarily be debarred from becoming members of Societies when they were heirs of deceased members.

12 The most important vital point was the question of Movable Societies. Most unfortunate that the Conference was not able to come to any decision on this point which would have helped us here in Mysore immensely. The defects & dangers are patent but a device for overcoming them would have been of the greatest service.

Another important question was the ratio between the Working Capital and the Reserve Capital and the Reserve Fund. Some interesting discussions have taken place in connection with this question.

14 The other resolutions that membership in Central Societies should not be restricted to individuals. However they should make their own arrangements for the custody of money and the safekeeping while the liquidation of the society. This rule was a great safeguard.

Serial  
No.

The question of cattle insurance and  
Co-operative Societies as agencies for  
the improvement of agriculture is  
a subject that deserves consideration  
in Mysore also.

15 The many send a Copy of the part  
of India under the Res. with the information  
that part of the Res. therein  
conveyed that part would be glad  
to have detailed proposals on

(1) fees for for audit and making  
Societies pay a portion of the cost of  
the Inspectorial Office. But this can  
legitimately be charged to some extent

(2) Co-operative Societies

(3) Cattle insurance

(4) The utilization of these Societies  
as agencies for agricultural improvement

By Secy

16

15/6/12

Draft may be put up calling for  
detailed proposals relating to the points specifically  
dwelt upon in the Res. of the Govt of India and  
such matters out of the subjects ~~discussed~~ discussed by  
the Conference as in the opinion of the Res. are  
ripe for practical consideration by Govt.

Done  
17/4

Done  
17/4

Serial  
No.

17  
Draft subd.  
but  
19/4 B.B.H.  
dykes)  
Sca)

h  
21.6.13,  
Duce of Nav  
17/4  
by  
nu!!  
Duce  
25/4

18 AM-  
23  
25/4

19 doney  
hues

13 To the Registrar of Co-operative Societies

As H.O. 259 of 30.4.1913

Forwarded copy of the Joint of  
India Resolution & requests  
him to submit detailed pro-  
posals relating to the points  
specifically, with upon them  
& in such other matters dis-  
cussed during recent annual  
conference as in his opinion  
are ripe for practical con-  
sideration by Govt.

8us

14 From the Registrar of Co-operative Societies

Serial  
No.

14

No 1803 of 6. 6. 1913

Submits proposals as requested on the points raised in the Resolution of the Govt of India and also on other matters discussed in the conference of Registrars as are ripe for the consideration of Govt.

20 The following points in the Registrar's letter on the subject of the Resolution of the Govt of India require orders —

1) Statements to accompany the annual reports. This forms the subject of a separate reference from the Registrar & is pending orders.

2) Jalkhari advances — The Registrar recommends that the matter may lie over till the Govt of India decide the course to be adopted.

21 As an allied subject the Registrar suggests slight modification in the wording of certain clauses of the rules regulating the grant of loans from the State funds as under Ref No 6644/1348-06 of 20-6-08.

22 Will be considered separately

23 Information given when to Bangalore by B.B. G.

24 When there was a circular back with a lot of work did I am averse to direct State help B

Serial  
No.

individual societies.  
Any power taken from  
from the Central Bank  
under its by laws must be  
from the Reg. Appeal sent  
of self reliance & the (difficult)  
society should not look for  
not help of government.  
They ought to be independent  
of not managing their affairs  
& conducting their own  
credit financing themselves.  
A forced growth into co-operatives  
help in an institution  
which should strike its roots  
deep & stay for ever is to be  
depreciated for what it is  
must die the sooner.

?

25  
Regarding the question  
of audit the time

NOTE—Contn. sheet.

The first alternative suggested then  
is to omit the latter portion  
of rule 1 sub b. (1) This has now  
become necessary in view of  
the present wider scope the co-  
operative movement has assumed  
since the passing of the rules  
in 1908. Help is needed in a  
greater measure too by societies  
formed in the interests of others  
than agriculturists—such as  
weaver societies—lace workers—  
silk reeler etc. Hence it is  
that the limit imposed on  
loans<sup>also</sup> is sought to be raised  
from 250 Rs to 1000 Rs. This may  
perhaps be sanctioned subject  
to the approval of Govt in each  
case in pursuance to rule 4.  
3 The substitution of 'Govt' for  
'Ran. Commr.' may be done as  
the Registrar is no longer sub-  
ordinate to the Ran. Commr.  
hence comes the important  
question of audit.  
4 The Govt of India Resolution  
para 6 deals with this matter.

Serial  
No.

Some when the Central  
Bank in Brown  
interests should conduct  
accounts of its debentures  
& other free debentures  
should be in a certain degree  
a competent authority for  
one to be available. But the  
the Reg. a certain percentage  
of their profits for maintaining  
a staff for this purpose beyond  
a sort of advisory Council  
the Reg. should have nothing  
to do with the Societies  
& the societies should be named  
to look to themselves for  
all help. The Reg. should  
have passed these societies from  
from paying stamp duty & fees &  
provides them with a staff. But  
there is nothing in connection  
with the Reg. to be done  
to contribute to the profits  
for the maintenance of the  
superintendence and the  
will be considered separately.

While laying down the general  
principles that ought to govern  
audit & inspection, the Govt.  
of India leave it to the  
discretion of local Govts. as  
to the steps to be taken for  
the correct discharge of this  
vital function.

The Registrar is of opinion  
that Mysore is not yet in  
a condition to delegate audit  
& inspection to Central Banks  
& Unions. A few central Banks  
have sprung up & the formation  
of two unions also, in the  
farming areas of Hassan  
& Tumkur are reported. This may  
as a trial be asked to take  
up the supervision of a few  
Societies under the general  
guidance of the Registrar -  
otherwise the 'unions' do not  
justify their existence.

The Registrar's proposal for  
the revision of his establishment  
in this connection is pending  
submission for want of references.

Serial  
No.

This subject may well be left alone as in considering the revision proposals the subject will receive due attention.

The next point raised in connection with the attitude of the official public. Discussed at the Conference. Elsewhere in B India certain local folk had to take account of the apathy of & in certain cases of the marked antipathy of certain officers to the movement. Here in Mysore the Registrar year after year records the sympathetic attitude of the officers & a resolution of the Govt couched on the lines suggested by the Registrar will fully tend to further this same object.

Subd

27  
4/6. 27  
Enclosed copy of the G. D. Letter in the file - Please prompt despatch

Rang

Subd.

28  
14/7/13

28

Please see marginal remarks  
Spmt draft

4.7.13

14.7.13

26  
I do not think it desirable  
to officialise these decisions.

K

Serial  
No.

29

Draft ruled

dat ~~19/7~~ 17/7 Patna revised dt

19.7.13

30

Revised draft ruled

dat 19/7

31 The draft embodies certain alterations  
of mine on the letters furnished & the Rep  
W. in Mysore on the part of India order  
on the report of the Conference of Mysore at  
Sunla. If the views therein expressed are  
accepted, the draft will then be approved  
for issue.

21.7.13.

By Secy

32 I think a draft letter on the following terms will answer  
the present purpose :-

33 The views of the Reg. expressed in paras 3 and 7  
are accepted. Separate orders will issue about the  
revision of forms (para 4). The question of takasi  
advances may, as proposed, be over until the Govt of  
India formulate their views and that of raising  
the limit may be separately raised. (Para 7).

34 As regards para 8, put up any Govt  
orders or instructions on the subject already in existence if  
any

Draft ruled.

28/7

Dues

12/7

dat 1

32

The Board will have to be  
consulted. as also the Reg.  
I am afraid no order can  
give at once on the lines  
proposed. The views of the  
will be obtained 24/7  
very useful for  
reference.

G. R. S. 12]

General and Revenue  
Secretariat.

13 File No. 12 of 191 2

Serial  
No.

3

Banking

36.  
with reference to the Dy. Secy's query  
supra of 4.0 to H 808-17/139-89-1 J 31-7-09  
directing the Am. officers to explain  
to the agents during their tour the  
advantages of keeping money in  
cooperative concerns, is put up.  
The Branch is not aware of any  
other order directing the Am. Officers  
to take interest in cooperative banks

but ~~Am~~

25/7

Whether revised or wanted?

~~by~~  
H 27/13

Draft ruled

28/7 ~~Am~~

by Secy

~~by~~  
29.7.13

38

A typed draft as revised may be put up

Dever  
28/7

Typed draft ruled.

but ~~Am~~

1/8

by Secy

~~by~~  
18/13

The draft letter may be approved.

(Dever)

Dever as signed  
6/8

4490  
8.8.13

40

off by Secy, Dever

~~by~~

26/7/13  
41

Dever

28.7.13

Serial  
No.

7/15 To The Registrar of Co-operation Societies  
No H 2270 of 29-11-13  
Concerns with his views.  
about the question remittance  
transfer receipts. & the formation  
of local unions & further states  
that separate orders will issue  
about the revision of forms &  
that the question have advanced  
may be over till the Govt of  
India decide about it & that  
question of raising the limit  
of loans may be separately sent  
up for consideration of Govt.

all B  
25/11/13

Pol No 1351 77.2.13

7/2  
H

Mysore Resident's Office,

Bangalore, the 7<sup>th</sup> February 1913.

10-813  
Sin 20.  
DICTY No 2978

|                                                                 |
|-----------------------------------------------------------------|
| 12-113                                                          |
| the Government of India, Department of Revenue and Agriculture. |
| FILE NO. 12-12                                                  |
| SERIAL NO. 11                                                   |

Letter No. 3-20-28, dated the 23rd January 1913, from  
the Government of India, Department of Revenue and Agriculture.

with 20  
spare copies

A copy of the foregoing letter is forwarded herewith to

the Government of His Highness the Maharaja of Mysore, for in-  
formation, in continuation of this office letter No. 7234,  
dated the 6th December 1912.

Hay X

!  
M. B. W. ...

First Assistant Resident.

ms  
..

FROM

THE HON'BLE SIR E. D. MACLAGAN, K.O.L.E., C.S.I., I.C.S.,  
*Secretary to the Government of India,*

TO

THE SECRETARY TO THE GOVERNMENT OF MADRAS,  
REVENUE DEPARTMENT.

THE CHIEF SECRETARY TO THE GOVERNMENT OF BOMBAY.

THE SECRETARY TO THE GOVERNMENT OF BENGAL.  
GENERAL AND REVENUE DEPARTMENT.

THE CHIEF SECRETARY TO THE GOVERNMENT OF THE  
UNITED PROVINCES.

THE CHIEF SECRETARY TO THE GOVERNMENT OF THE  
PUNJAB, REVENUE DEPARTMENT.

THE REVENUE SECRETARY TO THE GOVERNMENT OF BURMA.

THE SECRETARY TO THE GOVERNMENT OF BIHAR AND  
ORISSA, REVENUE DEPARTMENT.

THE HONOURABLE THE CHIEF COMMISSIONER,  
CENTRAL PROVINCES.

THE HONOURABLE THE CHIEF COMMISSIONER, ASSAM.

THE CHIEF COMMISSIONER, COORG.

THE CHIEF COMMISSIONER, AJMER.

THE CHIEF COMMISSIONER, DELHI.

THE HONOURABLE THE CHIEF COMMISSIONER, AND  
AGENT TO THE GOVERNOR-GENERAL,  
NORTH-WEST FRONTIER PROVINCE.

THE RESIDENT IN MYSORE.

THE RESIDENT AT BARODA.

*Dated Simla, the 23rd January 1913.*

Dept. of Rev. and Agri.  
Revenue.

SIR,

I am directed to invite a reference to the Proceedings of the Sixth Conference of Registrars of Co-operative Credit Societies held at Simla from the 28th-30th October 1912, of which proceedings copies have already been sent to you.

2. On three points the Government of India propose to issue separately such orders as may be necessary, viz., as regards the use of Remittance Transfer Receipts

by Co-operative Societies (pages 29-30), the annual forms to be submitted (pages 38-41) and the grant of takkavi to Societies (pages 62-64). In other respects, except in so far as is indicated in the remainder of the letter, the Government of India do not desire to supplement the discussions of the Conference by any instructions of their own and are satisfied that the Local Governments will treat the conclusions arrived at by the Conference with the consideration due to the experienced body from which they proceed.

3. The point of most immediate importance taken up by the Conference was that of the system on which Societies should be inspected and audited.

Under Section 17 of the Co-operative Societies Act the accounts of every society must be audited at least once a year by the Registrar or by some person authorised by him, the audit including an examination of overdue debts and valuation of the assets. In the early stages of the movement such audit has everywhere been conducted by a small official staff which has combined the duties of audit and inspection. It is admitted on all hands that this form of agency is suitable and even necessary for the audit of societies of a central or provincial type, and also in dealing with the extension of rural or urban societies to new areas where these societies are few and scattered. But there have been some divergencies of view regarding the agency which should be utilized in cases where the societies are—as is now the case in many tracts—sufficiently numerous and adjacent to allow of their being grouped together for administrative or financial purposes in unions or banking unions.

4. On the one hand, it has been pointed out that experience in Europe is, generally speaking against the employment of a purely official agency and that advantage should be taken of the existence of these unions to conduct the audit of the affiliated societies by means of employes of the Unions approved by the Registrar. It is urged that by this means we obtain men with local knowledge and avoid the routine character of Government inspection. It is pointed out that an audit by unions besides, being administratively useful, affords also the best means of bringing the unions into full touch with the societies, and that the officialising of the Co-operative Movement will ultimately deprive it of its best virtues. This point of view has been so far identified with the position of the Government of India that officers of that Government have in addressing the annual Conferences pointed to the dangers of departmentalising the inspection of societies and the necessity of conducting the development on lines which will ultimately enable the unions to carry out their own inspection and audit.

5. As the movement has expanded, however, the practical difficulties in the way of handing over the duties of audit and inspection to unions and banking unions have become more prominent and there are strong indications both in the annual Provincial Reports and in the discussions of the recent Conference that many of the officers and non-official gentlemen most intimately connected with the movement have grave doubts as to the advisability, for some time to come, of utilising any but official agency for audit or inspection. It is urged that the employes of the unions, even when approved by the Registrar, cannot always be free from local interests or faction and that in any case they have not the expert knowledge necessary for a thorough audit including a valuation of assets. It is pointed out on the one hand that the employment of officials gives confidence to the villagers who are or wish to become members; and on the other that without expert Government agency for audit the outside money market will decline, except on onerous terms, to advance the necessary funds. It is further contended that the banking unions or central banks themselves will be hampered in the relations with outside capital if their security rests on societies which they themselves audit. It is urged, therefore, that the auditors of rural and urban societies, whether actually officials or not, and whether paid by Government or by the societies, should, at any rate for a long time to come, be persons appointed by and liable to dismissal at the hands of, the official Registrar, and it is stated that if this is not done the confidence of the public in the stabling of the Societies and in the sympathy of Government towards the movement will receive a severe shock.

6. The Government of India recognise that in the presence of these somewhat conflicting points of view, Local Governments may have some hesitation as to the manner in which they should treat applications for an increase in the numbers of inspectors or auditors required by their respective Registrars. I am accordingly to explain that in the opinion of the Government of India the audit conducted must fulfill two conditions. In the first place it must be such that Registrars may, by means of a staff on which they can thoroughly rely, be fully informed of the financial position of each society, the audit being not merely formal, but practical; and in the second place, it must be carried out by an agency which will ensure the confidence of the money-lending public. Subject to these two conditions being satisfied, it is a great advantage to keep the number of Government agents employed as low as possible, but it is for the Local Governments to determine how far these conditions (which are of primary importance) may be met by the entertainment of a staff which is under the control of the societies and how far it is advisable to maintain a staff which is appointed by and under the control of the Registrars. In cases where it is decided to adopt the latter form of agency for audit, it is open to the Local Governments to decide whether this agency should be maintained at the cost of Government or whether its cost should be met wholly or partially by contributions from the societies.

I have the honour to be,

SIR,

Your most obedient Servant,

(Sd.) E. D. MACLAGAN,

*Secretary to the Government of India*

G.R.S. 26]

21-2013

11  
File No. 12

Serial 12

Diary No. of letter replied to 2978

File No. 711.

General and Revenue Secretariat

( Banking )  
the 19 . )

To

The First North Resident

Issue

24.2.13.

Signed by

Mr K.R. Primenassary

Sir,

I am directed to ac-  
knowledge with thanks the receipt  
of 20 copies of THE letter to  
3-20-28 J 23rd paras 1913 from  
the Govt of India, Department  
of Revenue & Agriculture forward  
with your letter to 813 J 7-2-1913

I have etc

20/2

20/2

Secretary

over.

20/2

SUBJECT.

20/2

24/2

21-2-13

G.R.S. 26]

16  
Fil No. 12

Serial 12

Diary No. of letter replied to 2978

File No. 711.

General and Revenue Secretariat

( Banking )  
the 19 . )

To

The First North Resident

SSUC 24.2.13.

Signed by Mr K. R. Prineas

Sir,  
I am directed to acknowledge with thanks the receipt of 20 copies of THE letter no 3-20-28 of 23rd Jan'y 1913 from the Govt of India, Department of Revenue & Agriculture forwarded with your letter no 813 of 7-2-1913

I have etc

20

Secretary  
over.

SUBJECT.

24/2

26/11/13

15

G.R.S. 26]

File No. 2  
Serial No. 13

Diary No. of letter replied to 2978.

No. 86259

30-4-1913

General and Revenue Secretariat

(Banking)  
the 19 . )

To

The Registrar of Co-

operative Societies

Date of issue 30-4-13

Sir

Signed by W. L. Narasimham

In forwarding herewith  
copy of letter No. 3-20-28  
of 23-1-1913 from the Govt.  
of India, Dept. of Revenue  
& Agriculture. I am directed  
to request you to be so good  
as to submit detailed pro-  
posals relating to the points  
specifically dwelt upon in  
the <sup>Circular</sup> letter under reference.  
over.

SUBJECT.

to such <sup>other</sup> matters ~~being~~ <sup>discussed</sup> during  
the recent annual conference  
of Registrars at Simla  
as in your opinion are  
ripe for practical con-  
sideration by Govt.

I have the

For Secy  
G.O.

WB  
25/4

W.C.S.

22/4

List of enclosures,

Copied by

Examined by

KB  
28/4/13

OFFICE OF THE  
REGISTRAR OF CO-OPERATIVE SOCIETIES  
IN MYSORE.

*Dr 5002*  
*B 12-12-13*  
*8/10/13 camp Kankanaalli 6<sup>th</sup> June 1913.*

From

M.A. Narayan Ayangar Esq., B.A. B.L.,  
Registrar of Co-Operative Societies in Mysore.

To

K.R. Srinivasa Iyengar Esq., M.A.  
Secretary to the Government of His Highness the  
Maharaja of Mysore, General & Revenue  
Departments, B a n g a l o r e.

Sir,

I have the honor to acknowledge your letter No. Fl. 6259/B. 12-12-13 dated the 30th April 1913 forwarding copy of letter No.3-20-28 dated the 23rd January 1913 from the Government of India, Department of Revenue and Agriculture, and requesting me to submit detailed proposals on the points referred to in the letter mentioned above, and on such other matters discussed during the last Conference of Registrars at Simla as are ripe for the consideration of Government.

2. The Circular Letter of the Government of India refers specifically to the following four points:--

(1) The use of Remittance Transfer Receipts  
by Co-Operative Societies

(2) The annual Statements to be submitted by  
the Registrar,

(3) The grant of Takavi advances, and

(4) The system of inspection and audit of

17

Societies.

I shall deal with these in the order given above.

3. As regards the use of remittance transfer receipts by Co-Operative Societies, the practice in vogue at present in Mysore is based upon Government Proceedings No. Fl.2293-302/G.P. 146-09-2 dated the 10th November 1909. This order authorised the treasuries to issue at par remittance transfer receipts to Co-Operative Societies registered under the Mysore Co-Operative Societies Regulation No.III of 1905. It will be observed that no limit is imposed upon the amount for which a Remittance Transfer Receipt could be issued, nor is there any restriction confining this privilege to Co-Operative Credit Societies. In these respects, therefore, our rules on the subject are in accordance with the resolution of the Conference of Registrars. I am of opinion that no change is necessary in our rules.

4. As regards the Forms for annual statements to be submitted by the Registrar, I have to invite the attention of the Government to my letter No.1624/Cs.44 dated the 26th April 1913 on the subject. I have therein proposed that the forms in use at present should be revised in accordance with the recommendations of the Conference. These recommendations were made after a very careful comparison of the forms in use at present, those proposed by the International Institute of Agriculture at Rome, and the views of the Government of India, and of a sub-committee of the Conference specially appointed to consider the subject. It is unlikely therefore that the forms approved by the Conference will undergo any material alterations at the hands of the Government of India. For these reasons I request that Government may be pleased to approve of the forms proposed by me in the letter

(9)

letter referred to at the beginning of this paragraph. Should there be a substantial difference between these forms and those approved by the Government of India I shall bring the matter to the notice of the Government and submit the necessary proposals for their alteration.

3 5. The third point in the letter of the Government of India relates to Takavi advances. Much of the discussion at the Conference on this subject does not apply to Mysore as the rules in force here are different from the British Indian rules. I would suggest, however, that this point may lie over till the Government of India pass their orders on the matter.

J 6. An allied subject to which I would draw the attention of the Government is one relating to the amount which can be sanctioned by the Registrar under Government Notification No. Fl.6644/B. 48-06 dated the 20th June 1908. The Registrar is therein authorised to sanction loans to Co-Operative Societies of sums not exceeding Rs.250/- under certain conditions. At the time that this Notification was issued, there were, no doubt, good reasons for imposing this limit. But these reasons no longer exist. The Registrar has been classed among Deputy Commissioners and should, in my opinion, have the powers of a Deputy Commissioner under rule II of Government U Notification No. R 4319 Agri. 91-08-4 dated 2nd January 1909 with respect to these loans also. I therefore propose that the limit of Rs.250 should be raised to Rs.1,000. I need hardly add that the power will be very sparingly exercised. Possibly there will be no need to exercise it at all except perhaps in the case of very backward Societies containing Panchamas and similar communities among their members. The weaving Co-Operative Societies also deserve similar concessions and sometimes J and I propose that Notification No. Fl.6644-B.48-06 dated

20th June 1908 may be amended as follows:--

(1) Omit all the words after Co-Operative Society in line 2 of 1,(1).

4.

(2) Substitute 'Government' for Revenue Commissioner, in the proviso to 4.

(3) Substitute 'Rs.1,000' for 'Rs.250' in the same proviso. A copy of the Notification with the proposed alterations and omissions is appended to this letter.

7. The last point raised in the letter of the Government of India deals with the system on which Societies should be audited and inspected. The question is really confined to the determination of the agency which should undertake the work of audit and inspection. The discussion on this subject at the Conference are given in paragraphs 50 to 61 of the report of the Proceedings. But the points for and against the ~~and~~ question of Official agency versus Private agency are so well summarised in the letter of the Government of India that I cannot do better than invite the attention of the Government to paragraphs 3,4, and 5 of the letter. The opinion of the Government of India is contained in paragraph 6, and I may add, that I am in entire agreement with that opinion.

5

I should, in this connection, refer to my letter No.1620/C.S.406 dated the 26th April 1913 in~~to~~ which I have addressed the Government on this very subject. The proposals therein contained have been conceived with due regard to the conditions recognised by the Government of India as essential to the proper development of the Co-operative movement and are based upon the minimum requirements of this Department. As I have pointed out in my letter, it is impossible, at the present time, to hand over the duties of audit and inspection to Unions. Apart from the difficulties pointed out in paragraph 5 of the Government

Reply for  
hand of  
reference.

of India letter, we have the further difficulty in Mysore that we have not yet formed many Unions. I have, during the current year, formed <sup>two</sup> such bodies at Hassan and Tumkur where Societies are sufficiently near and numerous and contain influential gentlemen willing to work them. But the attempt is still in the initial and experimental stage and cannot be reckoned upon in framing a policy for the guidance and development of the Co-Operative movement in the State. I personally fully hope that with the advance of Education and an increased knowledge of Co-Operation, and of its principles and methods, the unions will pay for, even if they do not ultimately take up the duties of, inspection and audit, but this is a question of time. And in the meanwhile, nothing is more dangerous than to allow Societies to drift into improper <sup>and</sup> incorrect lines of work on account of a want of <sup>the</sup> adequate supervising staff.

8. The only other subject discussed at the Conference of the Registrars which I need bring to the notice of the Government is that dealing with the relation of the Revenue authorities to Co-Operative Societies. As a result of the position occupied by Revenue authorities, the work done by them, and the opportunities enjoyed by them of coming in contact with the people, they command the confidence of the public and can, by taking an interest in the Societies within their jurisdiction, greatly improve their working and stimulate the zeal of the people interested in them. It was for this reason that at every successive Conference we have had in the State during the past two years, a resolution has been invariably passed to the effect that Amildars, Assistant Commissioners and other Revenue Officers should interest themselves in the Co-Operative movement and should devote a portion of their administrative report to describe the progress it has made in their jurisdiction; mentioning, among other things, the number of

Societies

copy of the  
 Report of the  
 Conference  
 just up.

Societies inspected by them, their opinion of their working etc.,.

9. I have in my Report for 1911-1912 acknowledged the obligations I am under to several Officers of the Revenue Department and the Number of such officers has increased largely during the current year. But I would still suggest that Government may issue instructions to officers of the Revenue Department in the light of the views contained in <sup>the last</sup> paragraph  
^

10. Some of the subjects discussed at the Conference of Registrars will come up for the consideration of Government in connection with the amendment of the Mysore Co-Operative Societies Regulation No.III of 1905. The rest are either not yet fit for being submitted to Government or they do not call for such action.

I have the honor to be,

Sir,

Your most obedient servant,



R E G I S T R A R.

 R.R.

NOTIFICATION.

No. FL 6644-B. 48-06, dated 20th June 1908

In continuation of the rules published with Notification No. J. 3507, Legis. 21-06-3 of the 18th May 1907, and in exercise of the powers conferred by the Mysore Co-operative Societies Regulation, III of 1905, the Government of His Highness the Maharaja of Mysore are pleased to make the following additional rules:—

1. (1) Loans from State Funds not exceeding Rs. 2,000 in any case may be made to any Co-operative Society at least one-half of the members whereof are agriculturists, or any other Co-operative Society with the special sanction of Government.

Amount of advance:

(2) The amount advanced to any society shall not exceed the paid-up share capital of the society.

2. All advances to a society shall be free of interest for the first two years and will afterwards, subject to Rule 8 (1), bear interest at 5 per cent per annum.

Interest on advances:

The advances shall be repayable in not more than three annual instalments commencing after the lapse of two years after the grant of the advance.

Instalments for repayment:

3. A society requiring an advance shall submit to the Registrar an application in Form A annexed to these rules.

Application for an advance:

4. The Registrar after satisfying himself as to the correctness of the statements made in the application, may sanction the payment of advances from any treasury or sub-treasury, and may prescribe the number of instalments of repayment and the dates on which each instalment is to be repaid.

Power to sanction advances and prescribe instalments for repayment:

Provided that, without the special sanction of the ~~Revenue Commissioner~~ Government, no advance sanctioned by the Registrar shall exceed Rs. 250,000.

5. (1) If the Registrar sanctions an advance, his sanction shall be conveyed in an order in Form B annexed to these rules.

Order sanctioning advance:

(2) The Registrar shall send the original order to the society; a duplicate copy to the Comptroller for issue of order of payment to the treasury concerned.

6. (1) Payment of any advance so sanctioned shall be made to the persons authorised to receive the advance on behalf of the society, on their producing the Registrar's order at the treasury named therein, and executing an agreement in duplicate in Form C annexed to these rules.

Payment of advance:

(2) When payment of an advance has been made, the original agreement shall be sent to the District Treasury for safe custody, and the copy forwarded to the Registrar.

7. (1) The Registrar may, if sufficient cause is shown, and if an interest due has been paid, suspend the repayment of any instalment.

Power to suspend repayment of instalment:

(2) Whenever the Registrar makes an order of suspension, he shall forthwith send a copy thereof to the Deputy Commissioner of the District and to the Comptroller.

(3) When an order of suspension is made in respect of any instalment, the repayment of that instalment and of all subsequent instalments shall be postponed for one instalment period.

8. (1) If any instalment due from any society is not fully repaid on the due date, interest at 6 per cent per annum to the date of repayment shall be recoverable on the amount overdue, unless the Registrar by special order exempts the society from this liability. Such orders are to be formally reported for the approval of the Revenue Commissioner.

Procedure where instalment not repaid on due date:

(2) The Deputy Commissioner to whom any instalments are repayable shall give prompt notice to the Registrar of any default in repayment of any instalment.

FORM A

Application for an advance from the Government.

1 We, the undersigned, being duly empowered in this behalf by the Committee of ..... Co-operative Society, Limited, apply for an advance of Rs. .... (in words) ..... from the Government to be paid at the ..... Treasury. If the by-laws of the society do not empower the Committee to borrow money on behalf of the society, these words should be deleted.

2. The amount of capital raised as shares, or as deposits received from members, is Rs. .... (in words) .....

We request that the advance may be made repayable at the ..... Treasury in ..... annual instalments, the date of payment in each year being .....

3. Particulars of the indebtedness of the society are as follows:—

- (a) Due to members on account of deposits, ..... rupees.
- (b) The amount borrowed from other sources, and the interest payable on each amount borrowed are as under—

| Amount borrowed | From whom | Rate of interest | Condition as to repayment |
|-----------------|-----------|------------------|---------------------------|
|                 |           |                  |                           |
|                 |           |                  |                           |
|                 |           |                  |                           |
|                 |           |                  |                           |

4. We attach hereto a copy of the resolution of the Committee of ..... Co-operative Society, Limited, authorizing the taking of an advance from the Government and specifying the members of the Committee who may, in conjunction with the Secretary, receive the amount and enter into an agreement with the Government for its repayment.

Dated .....

Signature of Secretary .....

Signature of three members .....

To  
The Registrar, Co-operative Societies:

FORM B.

Order sanctioning an advance by the Government.

Registrar's No. ....

1. Sanction is accorded to the payment of an advance of Rs. .... (in words) from the ..... Treasury to the undermentioned society subject to the following conditions as to repayment:—

Name of society .....

Registered address .....

Number of annual instalments of repayment .....

Date on which each instalment is to be recovered .....

2. The date on which the society was registered is the ..... and the advance is free of interest for two years from that date.
3. The budget allotment for such advances in the year 190 is Rs..... The aggregate amount of advances hitherto sanctioned during the year is Rs.....
4. The persons recognized as authorised by the society to enter into an agreement for repayment of the advance are the Secretary and any three of the members of Committee named below—

Name of Secretary.....

Names of members { (1) .....  
(2) .....  
(3) .....  
(4) .....

Registrar, Co-operative Societies

FORM C

Agreement to be executed on behalf of a Co-operative Society obtaining an advance from the Government.

We, the undersigned, being duly empowered in this behalf by the Committee of the ..... Co-operative Society ..... under the by-laws of the society, acknowledge to have received from the Government the sum of Rs..... as an advance to that society; and we undertake on behalf of the society to repay the said advance, with interest, in the following instalments, each instalment being payable on the date shown opposite thereto —

If the by-laws of the society do not empower the Committee to borrow money on behalf of the society, these words should be deleted.

| Principal | Interest | Total | Date |
|-----------|----------|-------|------|
| 1         |          |       |      |
| 2         |          |       |      |
| 3         |          |       |      |
| 4         |          |       |      |
| 5         |          |       |      |

2. We further agree to pay interest at 6 per cent per annum on any instalment or portion of an instalment which is not paid on due date: such interest to run from due date to date of payment.

We declare that, since the application in form A was submitted to the Registrar, the society's indebtedness either to members or to non-members, has not increased otherwise than by the accrual of interest on debts specified in the application.

Date.....

Signatures { (1) .....  
(2) .....  
(3) .....  
(4) .....

Witnesses signatures { (1) .....  
(2) .....

By Order,  
K. S. CHANDRASEKHARA AIYAR,  
Secy. to Govt., Gen. & Rev. Dents

✓ 21/11 5002  
Govt. of H.H. the Maharaja of Mysore

To

M.A. Narayana Iyengar Esq.,

Registrar of Co-operative Societies in Mysore, Bangalore.

Sir,

With reference to correspondence ending with your letter No. 1803 dated the 6th June 1913, submitting proposals on the points raised in the Resolution of the Government of India, (besides others discussed) in the last Conference of Registrars, I am directed to state that Government concur with your views about the questions of remittance transfer receipts and the formation of trial Unions for the purpose of audit and inspection of Societies.

2. I am further to state that separate orders will issue about the revision of forms that the question of takkavi advances may, as proposed by you, lie over until the Government of India formulate their views in the matter, and that the <sup>subject</sup> ~~matter~~ of raising the limit of loans to be made to Societies may be separately <sup>referred</sup> ~~referred~~ by you for the consideration of Government.

I have etc.,

24.11.13

LB

Done 6/8

Secretary to Govt.

*[Signature]*